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SUBJECT: PETROZAVODSK MAYOR RESIGNS IN ROW WITH GOVERNOR

11. (SBU) Summary: Petrozavodsk Mayor Viktor Maslyakov opened the new year by abruptly resigning in response to last year's decision by the regional government to move up the mayoral elections from 2010 to 2009. Several analysts believe the elections were moved forward because Karelian Republic Governor Katanandov was dissatisfied with Maslyakov, who operates independently of the regional leadership and has separate business interests and supporters despite also being a member of United Russia. The resignation has caused some turmoil in the City Council, and may signal a significant shift in the Republic's overall political landscape.

A Surprise Resignation and an Even Earlier Mayoral Election

- 12. (SBU) On January 11, Mayor Vladimir Maslyakov unexpectedly resigned from his post, leaving his first Deputy Anatoliy Buldakov in charge. Maslyakov, who had been mayor of Petrozavodsk for the past six years, explained that he disagreed with the recent decision by Karelian Governor Sergey Katanandov, a fellow member of United Russia, to move up the city's mayoral election to October 2009. (Note: Katanandov's official title is President of the Republic). Maslyakov characterized that decision as an "ill-timed political experiment."
- 13. (SBU) Maslyakov's resignation obligates the City Council, which is controlled by groups opposed to both the Mayor and the Governor, to hold a special mayoral election within six months after the resignation (i.e. by June 11, 2009). As of now, the Council's next regular session is not scheduled until March 12, at which point it will consider potential dates for the new election. However, it is possible the Council will meet sooner in an extraordinary session and make its decision earlier.

Maslyakov's Motives and Future Uncertain

¶4. (SBU) According to the federal laws which regulate municipal governments, Maslyakov's resignation prevents him from running in any upcoming special mayoral election, and thus it is unlikely that he resigned with the idea of somehow furthering his own career. Therefore, analysts believe his resignation was a form of political revenge against his main political opponent, Governor Katanandov, since the overall turmoil of the situation publicly undermines the perception of Katanandov's leadership abilities. There has been no official information about a possible new government position for Maslyakov, but there have been rumors that he has conducted a series of consultations with unidentified Moscow officials regarding a possible federal level position or a post in a region other than Karelia.

Scrambling for Mayoral Candidates

15. (SBU) Both the opposition in Petrozavodsk and Katanandov's United Russia faction were unprepared for Maslyakov's resignation. It is unclear who will be nominated for the mayoralty on either side. Governor Katanandov has further confounded speculation by suggesting a scenario in which he himself could run for mayor and resign his position as governor,

though it is not clear if he is seriously considering this option (note: Katanandov was Petrozavodsk's mayor in the early 90's). The Council's opposition majority is likely to nominate either Chairman of the regional branch of Fair Russia Irina Petelyayeva, Legislative Assembly member Davlet Alikhanov, or Council Chairman Vasiliy Popov, though the latter may prefer to keep his current post in light of the ongoing court hearings regarding criminal charges against him. The Karelian Communists are also likely to compete for the office by nominating a strong candidate - likely assemblyman Aleksandr Stepanov (who formerly was governor/prime minister of Karelia in the early 90's.) It is also possible that opposition business figures, Fair Russia, Yabloko and the Communists will form an electoral alliance and nominate a coalition candidate who could then compete on even terms with United Russia's nominee.

Significant Upheaval in Karelian Political Landscape

16. (SBU) Comment. Karelia is highly unusual in that it has had three significant and relatively equal political groupings - the two United Russia factions as represented by the feuding Maslyakov and Katanandov respectively, and the Petrozavodsk City Council which is led by local opposition businessmen, Fair Russia and Yabloko activists. These groupings have operated as a political triangle with each opposed to the others, with no one being able of getting the upper hand. Maslyakov's resignation, however, looks like it will usher in a significant change in this lineup as it seems to indicate the surrender of

his faction to Katanandov's. In fact, Katanandov has stated that Maslyakov's resignation has put an end to his party's internecine fighting, and that the opposition, which had become accustomed to the ongoing schism in United Russia, will now find itself in a much more precarious position.

GWALTNEY